

OGC Has Reviewed

MEMORANDUM FOR: Special Support Assistant, DDA
FROM: James H. McDonald
Director of Logistics
SUBJECT: Proposed Senate Bill S. 2525

1. We have reviewed S. 2525. The examples listed below will illustrate where and how the proposed legislation may inhibit or prohibit the Director's authorities

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a. Section 421 (a) (1). This paragraph appears to require specific approval of the DNI and the D/OMB, as well as a report to Congress of any transfer of funds between CIA and other agencies. If this interpretation is correct, it is a constraint that is not imposed on other agencies, and it will inhibit the transfer of

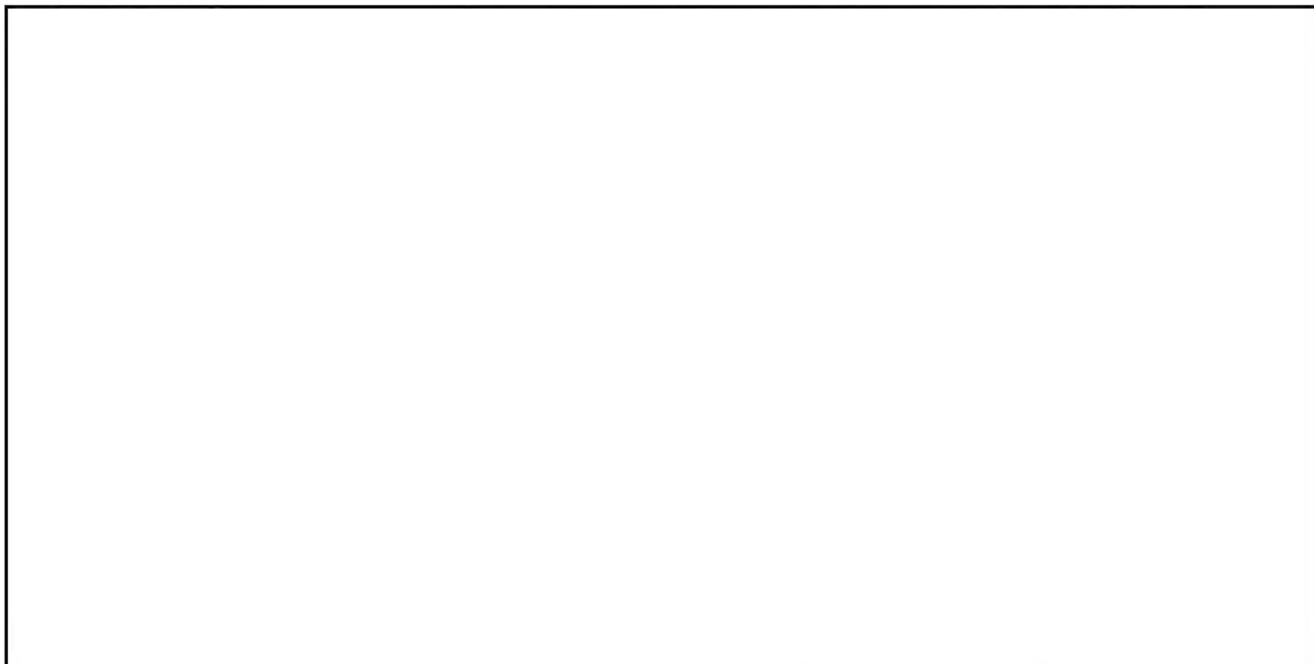
funds and contravene the intent of the Economy Act of 1932 which sought economy in Federal Government procurement through mutual assistance between agencies.

b. Section 139, Title I, requires that the Attorney General must approve procedures whenever Agency sponsorship is concealed when procuring goods and services from a private company. Procurement authorities covered under Section 422(c) may be exercised only in accordance with Section 139. This brings into question all procurement and supply activities which are conducted in such a manner as to conceal the Agency's identity. Specifically,

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and the Supply Division

engage in procurement of materials and services either
direct with commercial vendors, STAT

STAT without revealing the Agency as the
customer. STAT



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proposed regulation states that such funds "may be expended for purposes necessary to carry out the lawful functions of the Agency." (Section 425 (a)) Both acts provide exclusion from the Public Buildings Act of 1959 (40 USC 601-615) but the proposed Bill spells out more clearly that the exclusion applies to the acquisition, construction, or alteration of buildings and facilities--providing certification of the need is given by the Director. In fact, should the Agency choose to exercise it, the authority under S. 2525 appears broader than old Section 8, insofar as RECD is concerned--see Section 421 (5) concerning rent of premises which seems to give the Agency authority to rent its own premises in the U. S. (without going through GSA) "to carry out any function of the Agency authorized under this title."

4. There is no significant difference in Section 8 and S. 2525 as they pertain to the printing, photography and binding functions. The confusion lies in whether or not the Agency is exempt from Title 44. The Office of General Counsel has ruled that we are not; Printing and Photography Division is preparing a reclama to that position. Whatever the position, it should be explicitly provided for in S. 2525.

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